

Notice of Convening

The 148th Ordinary General Meeting of Shareholders

Date and Time: 10:00 A.M., Friday, 27 June 2014 (registration to begin from 9:00 A.M.)

Venue: Shinagawa Intercity Hall

15-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

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Nippon Sheet Glass Company, Limited

Securities Code: 5202

5 June 2014

Keiji Yoshikawa,
Director,
Representative Executive Officer, President & CEO
Nippon Sheet Glass Co., Ltd.
5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 148th Ordinary General Meeting of Shareholders

Dear Shareholder,

You are cordially invited to attend the 148th Ordinary General Meeting of Shareholders to be held as follows.

Should you be unable to attend the meeting in person on the day, you are entitled to exercise your voting rights in writing or via the Internet. In this case you are kindly asked to review and consider the Reference Material for the General Meeting of Shareholders produced below, and then exercise your voting rights according to explanations and instructions described in page 2 of the same no later than 26 June 2014 (Thu.), 5:45 p.m. (Japan time).

Note:

1. Date and Time: 10:00 A.M., Friday, 27 June 2014

2. Venue: Shinagawa Intercity Hall, 15-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

3. Agenda

Matters to be Noted

1. Business Reports, Reports of the Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit Committee on the Consolidated Financial Statements, for the 148th fiscal period from 1 April 2013 to 31 March 2014.
2. Reports of the Financial Statements for the 148th fiscal period from 1 April 2013 to 31 March 2014.

Matters to be Resolved

Proposal: Election of Eight Directors

4. Online disclosure

Reference Material for the General Meeting of Shareholders and those Business Report, Consolidated Financial Statements, and Financial Statements which need to be attached to this Convening Notice are all as duplicated and shown in pages 6 to 53 below, with the exclusion of Notes to the Consolidated Financial Statements and Notes to the Financial Statements which are posted and made available on the Company's website at www.nsg.com in accordance with the relevant law and ordinance, and article 14 of the Articles of Incorporation.

5. Exercising Voting Rights

(1) When exercising voting rights in writing

Indicate your approval or disapproval of the proposals in the enclosed voting rights exercising card and send it so that it reaches us no later than 26 June 2014 (Thu.), 5:45 p.m. (Japan time)

(2) When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read "**Information concerning exercising voting rights via the Internet**" as shown below (pages 3 to 5) and then exercise the rights no later than 26 June 2014 (Thu.), 5:45 p.m. (Japan time)

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- When attending the meeting on the day, please present the enclosed voting rights exercising card to the reception.
 - If it should become necessary to make any amendments to the Reference Material for any of the General Meeting of Shareholders, Business Reports, Consolidated Financial Statements and/or Financial Statements, such amendments shall be notified to you by mail, or via the Company's website at www.nsg.com.
 - Voting results of the meeting will be filed and shown via EDINET (<http://disclosure.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese only), and also disclosed on the Company's website at www.nsg.com (in English) and at www.nsg.co.jp (in Japanese). You are kindly asked to acknowledge and confirm that these actions would operate as alternatives to issue of a resolution notice.

Information concerning Exercising Voting Right via the Internet

Please note the following matters upon exercising voting rights via the Internet.

1. Website for exercising voting rights

Exercising voting rights via the Internet can be carried out only through the following website specified by the Company: <http://www.web54.net> (in Japanese only)

2. Voting rights

- (1) When exercising voting rights via the Internet, use voting rights code and password listed in the enclosed voting rights exercising card and follow the on-screen directions to indicate your approval or disapproval of the proposals.
- (2) Though voting rights may be exercised till 5:45 p.m. (Japan time) of 26 June (Wed.) 2013, it would be greatly appreciated if you could kindly exercise the rights earlier to facilitate early tabulation of the voting results.
- (3) When a shareholder exercises his or her voting right both in writing and via the Internet, the voting rights exercised via the Internet shall take precedence over the one in writing. When a shareholder exercises his or her voting right multiple times via the Internet, the last valid exercise of voting rights via the Internet shall be considered as the shareholder's final vote.
- (4) The shareholder shall bear any connection fees of the service provider or telecommunication charges upon using the website for exercising voting rights.

3. Voting rights code and password

- (1) The password is very important information to identify you at the voting. Please treat it very carefully in the same manner as if it is your personal seal or secret number.
- (2) In the event that you put wrong password a certain number of times such password will become invalid. If you wish reissue of the password please follow the instruction shown on the screen.
- (3) The voting rights code written on voting rights exercising card shall be valid only for this General Meeting of Shareholders.

4. System Requirements for Exercising Voting Rights via the Internet

Please confirm the following system requirements of your computer when you exercise voting rights via Internet:

(1) Website for personal computer

A) Display resolution of the computer is 800×600 (SVGA) or higher.

B) Following applications are installed into the computer

(i) Microsoft® Internet Explorer 5.01 SP2 or its higher version as Internet browser software

(ii) Adobe® Acrobat® Reader® 4.0 or its higher version, or Adobe® Reader™ 6.0 or its higher version as PDF file browser

* Microsoft is the registered trademark of Microsoft Corporation in the U.S. and other countries. Internet Explorer is the name of product provided by Microsoft Corporation. Adobe® Acrobat® Reader® and Adobe® Reader® are the trademarks or registered trademarks of Adobe Systems Incorporated in the U.S. and other countries.

* You can download such software for free at the website of each company respectively.

(iii) If the pop-up broker is active on your computer please make it (temporarily) inactive and Cookie enabled for this website in the privacy setting.

(iv) If you cannot access the website the Internet access might be restricted due to the setting of firewall proxy server and security software. In such case please check the settings.

(2) Website for mobile phone

Mobile phone is capable of 128-bit SSL communication (encrypted communication), and either of the following services is available: i) i-mode, ii) EZweb or iii) Yahoo! Keitai

* i-mode, EZweb, Yahoo! and Yahoo! Keitai are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation, Yahoo! Incorporated and SoftBank Mobile Corporation respectively.

* In the case that you access the website by using; full browsing application of mobile devices; PC via network provided by the mobile device or; Smartphone device, your voting is deemed as the one exercised on the website for personal computer.

5. Inquiries regarding Exercising Voting Rights via the Internet

- (1) Contact for any inquiries regarding the exercise of voting rights via the Internet

Web support desk of Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Telephone number:

0120-652-031 (from 9 a.m. to 9 p.m. Japan time, toll free in Japan)

- (2) Contact for other information such as request for documents

- A) If you have a shareholder account of securities company:

Please contact the securities company administrating your shareholder account

- B) If you do NOT have a shareholder account of securities company:

Please contact the Administration Center of Transfer Agency of Sumitomo Mitsui Trust Bank

Telephone number:

0120-782-031 (Weekdays from 9 a.m. to 5 p.m. Japan time, toll free in Japan)

6. Electronic Voting Platform for institutional shareholders

The Electronic Voting Platform operated by ICJ, inc. is available for institutional shareholders.

Reference materials for proposal at General Meeting of Shareholders

Proposal: Election of Eight Directors

The term of office of all the eight Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. It is therefore proposed that the following eight Directors be elected. Details of the Director candidates are as follows:

No.	Name	
1	Seiichi Asaka	Candidate for External Director
2	Keiji Yoshikawa	
3	Clemens Miller	
4	Mark Lyons	
5	Kenichi Morooka	
6	Sumitaka Fujita	Candidate for External Director
7	Hiroshi Komiya	Candidate for External Director
8	Günter Zorn	Candidate for External Director

No. 1 Mr. Seiichi Asaka (Date of birth: 24 December 1942)**■ Brief career history**

Apr. 1965	Joined NSK Ltd.
Jun. 1994	Director, NSK Ltd.
Jun. 1997	Managing Director, NSK Ltd.
Jun. 2000	Representative Director, Senior Managing Officer, NSK Ltd.
Jun. 2002	Representative Director, President, NSK Ltd.
Jun. 2004	Director, President & Representative Chief Executive Officer, NSK Ltd.
Jun. 2009	Director, Chairman, NSK Ltd.
Apr. 2010	Director, Chairman, NSK Ltd. Director, NKSJ Holdings, Inc. (Retired in June 2013)
Jun. 2010	Director, Chairman, NSK Ltd. Director, NSG Group (Current position)
Jun. 2011	Honorary Chairman, NSK Ltd.
Apr. 2013	Chairman of the Board, NSG Group (Current position)
Apr. 2014	Senior Advisor, NSK Ltd. (Current position)

- **Positions/responsibilities at NSG Group:** Director, Chairman of the Board, and a member of Nomination Committee, Audit Committee and Compensation Committee
- **Number of the Company's shares owned:** 6,822
- **Material concurrent office:** n/a
- **Reasons for recommendation as an External Director:**
Mr. Seiichi Asaka has rich experiences and wide-ranging insights as a business manager, which the board believes can be utilized for improvement of the Group business.
- **Terms of office to date as External Director:**
Mr. Seiichi Asaka will have been the External Director for four years as of the end of this General Meeting of Shareholders.

No. 2 Mr. Keiji Yoshikawa (Date of birth: 6 July 1950)

■ **Brief career history**

Apr. 1973	Joined the Company
Apr. 2003	General Manager of Information & Telecommunication Device Division, Information Technology Company
Oct. 2003	General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant
Jun. 2004	Corporate Officer, General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant
Jun. 2006	Corporate Officer, President of Information Technology Company, General Manager of Information & Telecommunication Device Division and General Manager of Planning Department
Sep. 2006	Corporate Officer, President of Information Technology Company, and General Manager of Planning Department
Apr. 2007	Corporate Officer, General Manager of IT Business Line, and General Manager of Planning Department
Jan. 2008	Corporate Officer, General Manager of IT Business Line
Jun. 2008	Director, Executive Officer, Head of Specialty Glass Worldwide
Feb. 2012	Director, Representative Executive Officer, Executive Vice President and CPMO
Apr. 2012	Director, Representative Executive Officer, President and CEO (Current position)

- **Positions/responsibilities at NSG Group:** Director, Representative Executive Officer, President and CEO, and a member of Nomination Committee and Compensation Committee
- **Number of the Company's shares owned:** 77,541
- **Material concurrent office:** n/a

■ **Brief career history**

Jul. 1992	Joined Flachglas AG (currently Pilkington Deutschland AG)
Dec.2002	Head of Business Planning, Building Products Europe Managing Director, Fire Protection, BP Europe
Jun. 2005	Managing Director, Building Products Fire Protection & Coatings
Apr. 2007	Managing Director, Solar Energy Business Managing Director, Building Products Fire Protection & Coatings
Aug. 2007	Managing Director, Building Products Europe Managing Director, Building Products Fire Protection & Coatings
Jun. 2008	Senior Corporate Officer, Head of Building Products Europe, NSG Group
Apr. 2010	Senior Corporate Officer, Vice President of Commercial and Solar Energy Products, NSG Group
Jun.2011	Director, Executive Officer, Head of Building Products Worldwide, NSG Group
Feb. 2012	Director, Executive Officer, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Apr. 2012	Director, Representative Executive Officer, Executive Vice President and COO, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Jun. 2012	Director, Representative Executive Officer, Executive Vice President and COO, NSG Group (Current Position)

- **Positions/responsibilities at NSG Group:** Director, Representative Executive Officer, Executive Vice President and COO
- **Number of the Company's shares owned:** 0
- **Material concurrent office:** n/a

No. 4 Mr. Mark Lyons (Date of birth: 31 October 1962)

■ **Brief career history**

Apr. 1990	Joined Pilkington plc (Currently Pilkington Group Limited)
Jan. 2003	CFO, Building Products Worldwide
Mar. 2005	President, Building Products Europe
Apr. 2007	General Manager, BP Regional Operations, and Managing Director, Building Products Europe, NSG Group
Jun. 2007	Senior Corporate Officer, General Manager, BP Regional Operations, Managing Director, Building Products Europe, NSG Group
Oct. 2007	Senior Corporate Officer, Head of Building Products Worldwide, NSG Group
Jun. 2008	Director, Executive Officer, Head of Building Products Worldwide, NSG Group
Jun. 2011	Director, Executive Officer, CFO, NSG Group
Apr. 2012	Director, Representative Executive Officer, CFO, NSG Group
Jun. 2013	Director, Representative Executive Officer, Executive Vice President and CFO, NSG Group (Current position)

- **Positions/responsibilities at NSG Group:** Director, Representative Executive Officer, Executive Vice President and CFO
- **Number of the Company's shares owned:** 0
- **Material concurrent office:** n/a

No. 5 Mr. Kenichi Morooka (Date of birth: 12 December 1956)

■ **Brief career history**

Apr. 1979	Joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation)
Nov. 1992	Senior Assistant General Manager, International Affairs (Tokyo), The Sumitomo Bank, Limited
Apr. 2001	President, SMBC Securities, Inc., and Vice President, SMBC Capital Markets, Inc.
Dec. 2006	General Manager, Promotion of Business Integration, and Senior Manager, Finance, NSG Group
Jun. 2008	Corporate Officer, Head of Financial Planning, NSG Group
Apr. 2011	Corporate Officer, CFO, Specialty Glass, General Manager of SG Administration, and Head of Corporation Planning Communication, NSG Group
Jun. 2011	Senior Corporate Officer, CFO, Specialty Glass, General Manager of SG Administration, and Head of Corporation Planning Communication, NSG Group
Feb. 2012	Senior Corporate Officer, Head of Corporate Planning Communication, NSG Group
May 2012	Senior Corporate Officer, Deputy CFO, NSG Group
Apr. 2013	Executive Officer, Deputy CFO, NSG Group (Current position)
Jun. 2013	Director, Executive Officer, Executive Vice President

- **Positions/responsibilities at NSG Group:** Director, Executive Officer, Executive Vice President, and a member of Nomination Committee and Compensation Committee
- **Number of the Company's shares owned:** 10,254
- **Material concurrent office:** n/a

No. 6 Mr. Sumitaka Fujita (Date of birth: 24 December 1942)■ **Brief career history**

Apr. 1965	Joined ITOCHU Corporation
Jun. 1995	Executive Director, ITOCHU Corporation
Apr. 1997	Senior Executive Director, ITOCHU Corporation
Apr. 1998	Senior Executive Director, Representative Director, ITOCHU Corporation
Apr. 1999	Representative Director, Chief Executive Director, Chief Financial Officer, ITOCHU Corporation
Apr. 2001	Representative Director, Vice President, Chief Financial Officer, ITOCHU Corporation
Apr. 2003	Representative Director, Vice President, Chief Financial Officer, Chief Compliance Officer
Apr. 2006	Representative Director, Vice Chairman, ITOCHU Corporation
Jun. 2006	Director, Vice Chairman, ITOCHU Corporation
Jun. 2007	Director, Vice Chairman, ITOCHU Corporation Director, Orient Corporation (Retired in Jun. 2010)
Jun. 2008	Senior Advisor, ITOCHU Corporation Director, The Furukawa Electric, Co., Ltd. (Current position) Auditor, NIPPONKO Insurance Company, Limited
Jun. 2009	Senior Advisor, ITOCHU Corporation Director, NSG Group (Current position) Auditor, NIPPONKOA Insurance Company, Limited
Apr. 2010	Senior Advisor, ITOCHU Corporation Director, NKSJ Holdings, Inc. (Retired in June 2013)
Jul. 2010	<i>Riji</i> , ITOCHU Corporation (Current position)
Apr. 2012	Director, Olympus Corporation (Current position)

- **Positions/responsibilities at NSG Group:** Director, Chairman of Audit Committee, and a member of Nomination Committee and Compensation Committee
- **Number of the Company's shares owned:** 10,000
- **Material concurrent offices:** Director, The Furukawa Electric, Co., Ltd., and Director, Olympus Corporation
- **Reasons for recommendation as an External Director:**
Mr. Sumitaka Fujita has rich experiences and wide-ranging insights as a business manager, which the board believes can be utilized for improvement of the Group business.
- **Terms of office to date as External Director:**
Mr. Sumitaka Fujita will have been the External Director for five years as of the end of this General Meeting of Shareholders.

No. 7 Mr. Hiroshi Komiya (Date of birth: 7 April 1942)■ **Brief career history**

Apr. 1965	Joined Bridgestone Corporation
Apr. 1989	General Manager, North American Business Division, Bridgestone Corporation
Apr. 1991	Director, Bridgestone Firestone Inc.
Aug. 1994	Joined Olympus Corporation as General Manager, Corporate Planning Division
Jun. 1997	Director, Olympus Corporation
Jun. 1999	Managing Director, Olympus Corporation
Jun. 2004	Senior Managing Director, Olympus Corporation
Jan. 2007	Chairman & CEO, General Imaging Company
Mar. 2009	Chairman, General Imaging Company President & Representative Director, General Imaging Japan Co., Ltd. (until Nov. 2013)
Jun. 2010	Director, NSG Group (Current position)

- **Positions/responsibilities at NSG Group:** Director, Chairman of Compensation Committee, and a member of Nomination Committee and Audit Committee
- **Number of the Company's shares owned:** 6,822
- **Material concurrent office:** n/a
- **Reasons for recommendation as an External Director:**
Mr. Hiroshi Komiya has rich experiences and wide-ranging insights as a business manager, which the board believes can be utilized for improvement of the Group business.
- **Terms of office to date as External Director:**
Mr. Hiroshi Komiya will have been the External Director for four years as of the end of this General Meeting of Shareholders.

Newly Appointed Candidate for Director

Candidate for External Director

Candidate for Independent Director

No.8 Mr. Günter Zorn (Date of birth: 23 March 1953)

■ **Brief career history**

Nov. 1978	Joined POLAROID CORPORATION
Jul. 1985	Moved to LINOTYPE AKTIENGESELLSCHAFT
Jun. 1991	President and Representative Director, Linotype-Hell K.K.
Nov. 1994	President and Representative Director, Linotype-Hell K.K. Vice President, Asia Pacific, Linotype-Hell (acquired by Heidelberg Druckmaschinen AG in 1997)
Apr. 1998	President and Director General Heidelberg France S.A.
Apr. 2000	President, Heidelberg Asia Pacific
Jul. 2005	Representative Director and President, DHL Japan, Inc.
Apr. 2006	Representative Director and President, DHL Japan, Inc. EVP North Pacific (Japan and Korea)
Apr. 2009	Representative Director/President, Z-ANSHIN K.K. (current position)

■ **Number of the Company's shares owned:** 0

■ **Material concurrent offices:** Representative Director/President, Z-ANSHIN K.K.

■ **Reasons for recommendation as an External Director:**

Mr. Günter Zorn has rich international experiences and wide-ranging insights as a business manager, which the board believes can be utilized for improvement of the Group business.

■ **Terms of office to date as External Director:** Mr. Günter Zorn is a newly appointed candidate for Director

Notes:

1. Messrs. Seiichi Asaka, Sumitaka Fujita, Hiroshi Komiya and Günter Zorn are candidates for the External Directors stipulated in Article 2 Clause 15 of the Companies Act. In addition, all of them have been notified to Tokyo Stock Exchange (TSE) as Independent Directors. Furthermore, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four candidates for External Directors also meet. For the detail of the criteria, please see pages 17 and 18.

2. Particulars of the candidates for External Directors are as follows:

(1) Violation of laws, ordinances or the articles of incorporation, or other unlawful conducts in business execution in the companies where the candidates for External Directors were Directors, Executive Officers or Auditors over the past five years (those occurred during their term of office)

A) Mr. Seiichi Asaka assumed office of a director of NSK Ltd. for the period from June 1994 to June 2011. In July 2011, NSK Ltd. was investigated by the Japan Fair Trade Commission (the "JFTC") in relation to its violation of the Antimonopoly Act of Japan regarding sales of bearing products. In this regard NSK Ltd. (NSK) was sentenced to a monetary penalty by the Tokyo District Court in February 2013 and subsequently received the cease-and-desist order and the administrative surcharge payment order from the JFTC in March 2013. In addition, NSK and its oversee subsidiaries have been under the investigations regarding sales of their bearing products by the relevant authorities in North America, Europe and other countries in connection with competition laws. In this regard; i) NSK, in September 2013, entered into the plea agreement with the U.S. Department of Justice to plead guilty and pay a fine; ii) in January 2014, the Quebec Superior Court of Justice ordered to NSK to pay a fine; iii) in March 2014, European Commission imposed a fine on NSK and its subsidiaries; and iv) in May 2014, Federal Court of Australia made orders to NSK's subsidiaries to pay a pecuniary penalty. Furthermore, Amatsuji Steel Ball Mfg. Co., Ltd., a subsidiary of NSK, was investigated, in January 2014, by the JFTC in relation to the Japan Antimonopoly Act of Japan regarding sales of its products. Any sentences and administrative penalties and so on already made relate to the conducts during the period of his office above. Other ongoing investigations may likely relate to the conducts during the period of his office of above.

B) Mr. Sumitaka Fujita was elected as External Director of the Furukawa Electric Co., Ltd. (Furukawa) in June 2008.

During the period of his office above, in May 2010 JFTC issued and imposed the cease-and-desist order, and surcharge payment order to Furukawa for alleged violation of the Anti-monopoly Act in respect of the business of optical fiber cable and other related products.

In September 2011 Furukawa entered into a plea agreement with the U.S. Department of Justice in connection with the suspected cartel with respect to the automotive wire harness and other related products. In the subsequent judiciary proceedings, it was settled that Furukawa shall pay a fine of USD 200 million. In this regard in January 2012 the JFTC issued orders in connection with such transactions where Furukawa was found to have committed the wrongdoing although it was not the addressee; Furukawa was also ordered to pay a fine of CAD 5 million by the Canadian authority in April 2013 and Furukawa; and its subsidiary, Furukawa AS were further imposed a fine of EUR 4.02 million by the European Commission in July 2013. Moreover Furukawa received a cease-and-desist orders and surcharge payment orders from the JFTC with regard to bidding for particular transmission works ordered by TEPCO and KEPCO, respectively in December 2013 and January 2014. The European Commission imposed on Furukawa a fine of EUR 8.86 million in connection with the suspected cartel in relation to the power cables and other related products.

Albeit he was not engaged in any of the cases above and not aware of any of the facts thereof until these were revealed, on a daily basis Mr. Fujita put forward various proposals from the viewpoint of legal compliance and brought to the attention of the management in this regard and particularly from revelation of this occurrence he has been also seeking to ensure (by taking the occasion of the board meetings or otherwise) that the Company should be sufficiently mindful of compliance needs and spirit and should take appropriate

measures for prevention of any such further case.

C) He assumed the office of External Auditor of NIPPONKOA Insurance Company in June 2008. On 23 October 2009 during his incumbency of such office, Financial Services Agency issued operational improvement order to NIPPONKOA in connection with some cases of delay in insurance payments caused by inadequate and inappropriate activities.

He significantly contributed to business improvement of NIPPONKOA Insurance Company in terms of fact-finding process and appropriate action for prevention of recurrence of the cases like above by giving the Board of Directors and Board of Auditors of the company valuable comments and advice on broad issues based on his experiences and insights as business manager at other major companies in different industries.

(2) Agreement on liability limitation with External Directors

The Company concluded an agreement with Messrs. Seiichi Asaka, Sumitaka Fujita, and Hiroshi Komiya, and will do the same with Mr. Günter Zorn respectively to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount permissible by law.

For reference: Criteria of Independency for External Director at NSG

External Directors of Nippon Sheet Glass Company, Limited ("NSG" or the "Company") falling into any of the following categories are considered to lack independency as an External Director.

(1) As to the External Director him/herself, where:-

- a) He/she is, has become or once served as an executive director, executive officer, corporate officer or employee of the NSG Group (hereinafter collectively referred to as "executive/employee");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended or (in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization), OR NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year; OR,

ii) he/she has a business relationship with the Company and paid the Company the following sum during the Company's any single financial year of those past three years most recently ended, or he/she is a Major Business partner of the NSG Group (or in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

Note: For the purpose of this criteria protocols, the expression "Major Business Partner(s)" means, as between the NSG Group and the group having business relationship with us, those persons which could be, in terms of magnitude of its business relationship, expected to exert the same degree of influence on the decision-making process of the other as would exist among parent-subsidary relationship or affiliated group.

- c) He/she is an Certified Public Accountant retained as Accounting Auditor for the Company (or in case the accounting firm is retained as Accounting Auditor then he/she serves as partner or employee of the firm) or he/she has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (or in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she belongs to any such organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (or in case where an organization such as legal entity has such relationship or interest, he/she is an executive/employee of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she holds cross-directorships or has significant links with other Directors/Executive Officers of the Company through involvement in other companies/bodies;
- g) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (or in case where the organization such as legal entity falls into such a shareholder, then he/she currently is or was employed as an executive/employee of the organization at any time during the past five years); or
- h) He/she is an individual who has fallen into the above d), e) or f) during the Company's any single financial year of those past three financial years most recently ended.

(2) As to the close relative(s) of the External Director (his or her spouse, or those relatives who are within the second degree of kinship or live in the same dwelling as him or her), where:-

- a) He/she is or was in the past five years an executive director/officer or senior employee of the NSG Group (collectively "Senior Manager");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended (in case where the organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager thereof), OR the NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year; OR
 - ii) he/she has a business relationship with the Company and paid the Company the following sum in any single financial year of the Company during its past three years most recently ended, or is a Major Business Partner of the NSG Group (in case where an organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year
- c) He/she is a Certified Public Accountant retained as an Accounting Auditor (or in case the accounting firm is retained as Accounting Auditor then he/she is a partner or Senior Manager thereof) or has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she serves as partner, associate or Senior Manger of the organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (in case where an organization such as legal entity has such relationship or interest, then he/she is a Senior Manager of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (in case where the organization such as legal entity falls into such a shareholder, then he/she currently serves as Senior Manger of the organization); or
- g) He/she has fallen into either or both of d) and/or e) at any time during the past three financial years of the Company most recently ended.

148th Business Report of Nippon Sheet Glass Company, Limited

From 1 April 2013
To 31 March 2014

1. Matters Relating to the Current State of the Company's Corporate Group

(1) Overview and Results of Business Activities

Conditions in the Group's major markets slightly improved from the previous year. Activity levels in Europe remain at low levels, although conditions gradually strengthened towards the end of the year. Markets in Japan improved, with higher demand ahead of planned increases in indirect taxation. North American markets also showed further growth. Elsewhere, markets in South America improved, although demonstrated some weakening towards the end of the year. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

As a consequence, the Group's year-end results are as shown in the table below.

Consolidated Revenue	¥ 606,095m	(up 16.3%)
Consolidated Operating Profit before Exceptional Items	¥ 14,567m	
Consolidated Operating Profit	¥ 734m	
Consolidated Loss before Taxation	¥ (16,401)m	
Consolidated Loss for the Period	¥ (16,485)m	
Consolidated Loss Attributable to Owners of the Parent	¥ (17,630)m	

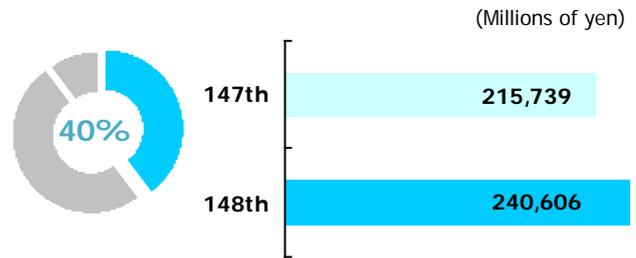
The performance by segment is as follows.

Architectural

Revenue: ¥ 240,606 million

Business content:-

Architectural, representing 40 percent of cumulative Group sales includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also supplies glass for the Solar Energy sector



Operating results in the Architectural business were significantly better than the previous year due mainly to the effects of the Groups' restructuring program. Revenues improved due to the translational impact of a weaker Japanese yen.

In Europe, representing 38 percent of the Group's Architectural sales, economic difficulties continued to depress construction and refurbishment activity. Current year market volumes were stable, but remain at a low level. Local currency revenues fell from the previous year, with the Group's architectural volumes falling following the mothballing of under-utilized facilities. During the third quarter, the Group mothballed its float line at Cowley Hill, St Helens, UK. The Group's restructuring actions generated an improved level of asset utilization, enabling a strong improvement in profitability. Year-to-date average, commodity glass prices were similar to the previous year.

In Japan, representing 31 percent of Architectural sales, the prospects for architectural markets continue to be positive, with a further increase in new housing starts from the previous year. This will take some time to be translated into a significant increase in demand for glass products, however, with labor shortages generating delays in construction activities. Revenues in Japan were slightly ahead of the previous year, although profitability fell with an increase in energy costs.

In North America, representing 10 percent of Architectural sales, architectural glass markets continued to improve, mainly due to increases in private residential construction. The Group's revenues and profits improved from the previous year. Volumes were similar to the previous year, with strengthening domestic demand offsetting reduced dispatches of Solar Energy glass. Domestic price levels were above the previous year.

In the rest of the world, revenues and profits improved from the previous year. Market conditions in South America and South East Asia improved, with increased demand.

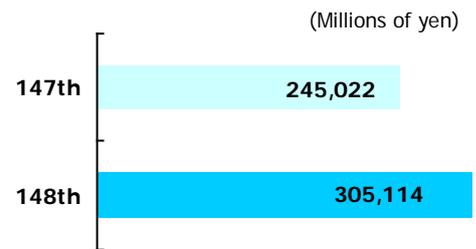
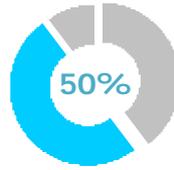
The Architectural business recorded revenues of ¥ 240,606 million and an operating profit of ¥ 10,951 million.

Automotive

Revenue: ¥ 305,114 million

Business content:-

Automotive, with 50 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.



In the Automotive business, revenues improved from the previous year due mainly to the translational impact of a weaker Japanese yen. Market conditions generally improved from the previous year.

Europe represents 46 percent of the Group's Automotive sales. Cumulative light-vehicle sales remain at a low level, and were similar to the previous year. Volumes improved gradually through the year however, with fourth quarter volume gains tentatively indicating a market recovery. In the OE sector, the Group's cumulative local currency revenues were slightly ahead of the previous year. Profits improved due mainly to cost savings arising from the Groups' restructuring program. Results in the Automotive Glass Replacement (AGR) business also improved due to increased demand.

In Japan, representing 17 percent of the Group's Automotive sales, OE volumes were stronger than the previous year, with the weaker yen providing support for vehicle exports. Domestic vehicle demand improved through the year, ahead of the increase in consumption taxes planned for April 2014. The Group's revenues and profits were ahead of the previous year. AGR markets were stable.

In North America, representing 24 percent of the Group's Automotive sales, revenues and profitability improved. OE market volumes were ahead of the previous year and the AGR business benefited from increased demand following harsh winter weather conditions.

In the rest of the world, revenues improved due to increased volumes, although volume growth in South America stalled towards the end of the year.

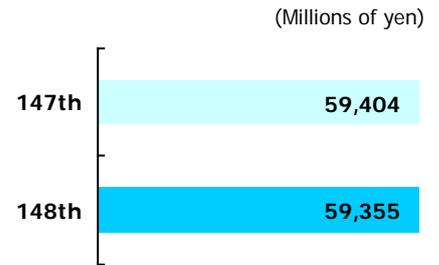
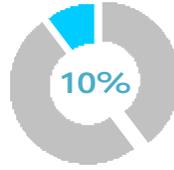
The Automotive business recorded sales of ¥ 305,114 million and an operating profit of ¥ 11,154 million.

Technical glass

Revenue: ¥ 59,355 million

Business content:-

Technical Glass, representing 10 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.



Revenues in the Technical Glass business were similar to the previous year as yen translation gains offset volume reductions. Profits fell slightly but remain at a satisfactory level.

Revenues from thin glass for displays decreased, due partly to the disposal of the Group's LCD component assembly business early in the year. Sales of thin glass for smart phones and tablet devices decreased, due to a line repair. Demand for components used in multi-function printers improved from the previous year. Volumes of glass cord used in engine timing belts also improved, with increased demand for vehicles using relatively small, fuel-efficient engines incorporating the Group's products.

The Technical Glass business recorded revenues of ¥ 59,355 million and an operating profit of ¥ 5,898 million.

Other

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc. Operating costs incurred in Other Operations and Eliminations increased due to the non-recurrence of certain one-off gains experienced in FY2013.

Consequently, this segment recorded revenues of ¥ 1,020 million and operating costs of ¥ 13,436 million.

(2) Capital Expenditure

The capital expenditure of the Group totaled ¥ 31,571 million during the fiscal year under review, broken down by segment as follows:

Business	Expenditure
Architectural	¥ 4,642 m
Automotive	¥ 10,743 m
Technical Glass	¥ 14,120 m
Other	¥ 2,066 m

(3) Financial situation

Total assets at the end of March 2014 were ¥ 925,175 million, representing an increase of ¥ 39,739 million from the end of March 2013. Total equity was ¥ 174,498 million, representing an increase of ¥ 19,045 million, as the translational impact of a weakened Japanese yen of ¥ 35,525 million, more than offset the loss recorded for the period.

Net financial indebtedness increased by ¥ 18,264 million from 31 March 2013 to ¥ 379,112 million at the period end. The increase in indebtedness arose mainly as a result of exchange differences generated by the weakening Japanese yen. Currency movements generated an increase in net debt of approximately ¥ 15,980 million over the period. Gross debt was ¥ 455,303 million at the period end. As of 31 March 2014, the Group had un-drawn, committed facilities of ¥ 14,600 million.

Cash inflows from operating activities were ¥ 17,880 million. Cash outflows from investing activities were ¥ 17,106 million, including capital expenditure on property, plant, and equipment of ¥ 25,686 million. As a result, total cash inflows before financing were ¥ 774 million.

(4) Issues to be addressed

In FY2014, conditions in the group's major markets slightly improved from the previous year. Activity levels in Europe remain at low levels, although conditions gradually strengthened towards the end of the year. Markets in Japan improved with higher demand ahead of planned increases in indirect taxation. North American markets also showed further growth. Elsewhere, markets in South America improved, although demonstrated some weakening towards the end of the year. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

The Group expects a further, gradual improvement in market conditions during FY2015. European markets are expected to continue to slowly recover, although will still be significantly below pre-recession levels. Increased levels of indirect taxation are likely to affect automotive markets in Japan negatively, although architectural markets should benefit from positive construction lead indicators experienced during FY2014. Volumes in the North America and in the Rest of the World geographies are likely to increase, although volumes in South America are expected to be relatively weak in the near-term. Technical glass markets are expected to be similar to FY2014. Underlying profitability will continue to benefit from the Groups' restructuring actions. The Group expects that recurring annual benefits will be approximately JPY 33,000 million per year from FY2015. However, the further benefit in cost levels arising from the restructuring savings is likely to be partly offset by increased input costs in FY2015.

For the Group's financial position, please kindly refer to the above section 1. (3) "Financial Situation". Discussion for securing further financial facilities has been in progress with the financial institutions.

The Group has announced its medium-term plan (MTP), covering the financial years to 31 March 2018.

Our strategic vision is to transform the NSG Group into a VA Glass Company. This is the core concept of our strategy and the basis for our longer-term growth plans.

Medium-Term plan – strategic direction

The top level objectives of the MTP are to achieve financial sustainability and to further develop the NSG Group's position as a VA glass company.

Our aim is to:

- Consolidate our trusted reputation as a glass specialist
- Work closely with our customers in a range of global industries to deliver unique value through our products and services
- Transform our flat glass business, moving from traditional business model towards one increasingly focused on VA

To transform the Group into a VA Glass Company, we will become:

- Less asset-intensive;
- Less cyclical, with greater agility; and
- A more profitable glass business

Successful restructuring has restored the Group's profitability, helping create a more agile, leaner, lower cost organization to implement the MTP. NSG is well-positioned to capitalize on improvements in the global economy, with a balanced global footprint and business mix.

The MTP is focused on achieving financial sustainability, transitioning to strategic growth in longer term, based on value-added (VA) products and services.

Medium-Term plan – financial targets

With an experienced management team and strong leadership, the Group is committed to creating shareholder value, through ambitious but attainable financial targets.

The Group has established two very clear financial targets to be achieved by 31 March 2018, covering both the Groups' financial performance and position:

- Net financial debt / EBITDA of 3X
- Operating return on sales of greater than 8%

Each business unit has specific issues to be addressed as follows.

Architectural

The Group's Architectural business will continue to focus on improving profitability. During the third quarter of FY2014, the Group mothballed its float line at Cowley Hill, St Helens, UK. The Group has now mothballed five float lines during the current restructuring program. The Group's restructuring actions have generated an improved level of asset utilization, enabling a strong improvement in Architectural profitability.

The Group intends to focus on further improving levels of Architectural profitability, particularly in Europe. European prices remain at historically low levels but should benefit from improved capacity utilization from FY2015.

The Architectural business produces a range of added value products that can greatly contribute to energy conservation in both residential and commercial buildings, together with products for the Solar Energy market that can be used in the process of producing renewable solar energy. The production process for these products is, however, energy intensive and the Group has experienced a further increase in energy and energy related costs during FY2014. Whilst hedging techniques are used to mitigate volatility in energy input costs, these cannot protect against long-term trends towards higher energy costs. The Group intends to mitigate effects of the increased input costs as much as possible by maintaining capacity at appropriate level which will lead to favorable selling prices.

The drive to produce clean renewable energy will continue to fuel growth for the Group's Solar Energy products business over the long-term, although volumes in FY2015 are not expected to be materially increased over the volumes of FY2014. Value added products, such as low-e glass designed to save energy in buildings, will become an increasingly important part of the Group's Architectural portfolio. The Group's medium-term Architectural strategy is to further develop its portfolio of value added products, where it has a technological advantage over competitors.

Automotive

During FY2014, the Group completed the closure of two Automotive manufacturing sites in Europe. The production of Automotive parts was moved from these facilities to other European locations. The Group's new European Automotive plant in Poland has operated satisfactorily through the year.

As in the Architectural business, the Group's Automotive business was faced with significant input prices of energy and certain other raw materials. The Group expects to grow its Automotive business in emerging markets such as South America. Technological advances in areas such as Solar Energy control and weight reduction will play an important part in the future of Automotive glazing, and the Group expects to be a key player in these areas. The Group also expects to

grow its AGR business both through organic growth and, where appropriate, strategic acquisitions.

Technical Glass

The Group's Technical Glass business has a number of significant growth opportunities. On 7 April 2014, the Group announced that it will start its new ultra thin glass float line in Vietnam from June 2014 and will commence production from the second half of the year. The new line is situated within the site of the Group's wholly-owned subsidiary, NSG Vietnam Special Glass Ltd. The new investment brings the number of the Group's float lines dedicated Ultra Fine Flat glass (UFF) to two (one in Japan and one in Vietnam). The Group is the world-leading supplier of ultra thin glass for small LCD applications. NSG UFF products are increasingly being used in the growing touch panel market and cover glass (soda lime composition) in computers and mobile devices. The Group will continue to meet our global customer's needs by fully utilizing our technological leadership and development capability in these fast-growing segments.

High performance glass-cord, an essential element of belt-in-oil engine technology is also an important growth area for the Technical Glass business, and the Group is actively investing to increase its capability in this area. We will continue to take advantage of such opportunities successfully for further development of the business.

(5) Assets and Business Results (Consolidated)

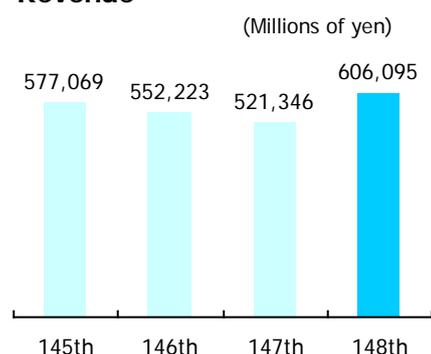
(Millions of yen, except per-share figures)

	145th period (FY 2011)		146th period (FY 2012)	147th period (FY2013)	148th (FY2014)
	JGAAP	IFRS	IFRS	IFRS	IFRS
Revenue	577,212	577,069	552,223	521,346	606,095
Operating Profit/(loss)	14,352	22,867	4,386	(17,258)	734
Ordinary Profit	7,730	—	—	—	-
Profit/(loss) before taxation	—	15,306	(4,822)	(31,096)	(16,401)
Net Income or Profit/(loss) for the period	1,661	15,815	(1,749)	(33,455)	(16,485)
Profit/(loss) Attributable to Owners of Parent	—	12,430	(2,815)	(34,324)	(17,630)
Basic Earnings per Share or Earnings per Share Attributable to Owners of the Parent (Yen)	0.13	15.65	(3.12)	(38.04)	(19.53)
Net Assets or Total Shareholders' Equity	226,874	216,232	161,313	145,031	164,986
Net Assets per Share or Total Shareholders' Equity per Share (Yen)	239.40	239.69	178.77	160.68	182.75
Total Assets	868,588	889,420	848,752	885,436	925,175

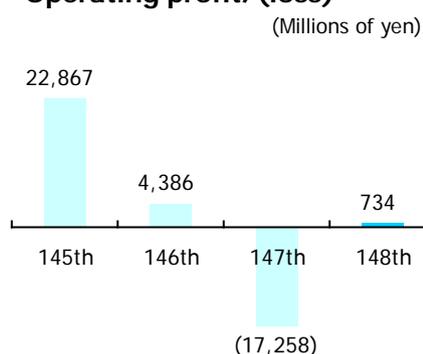
Notes:

- The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) from the 146th financial year. The results of 145th financial year are also presented in accordance with IFRS.
- Basic earnings per share (or basic earnings per share attributable to owners of the parent) is calculated by dividing the profit for the period (or the profit attributable to owners of the parent) by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.
- Net assets per share (or total shareholders' equity per share) is calculated by dividing the net assets (or total shareholders' equity) by the number of ordinary shares in issue as at the end of the financial year excluding ordinary shares purchased by the company and held as treasury shares.
- The Group has retrospectively adopted the amendments to IAS 19 and has therefore restated its comparative FY2013 financial results.

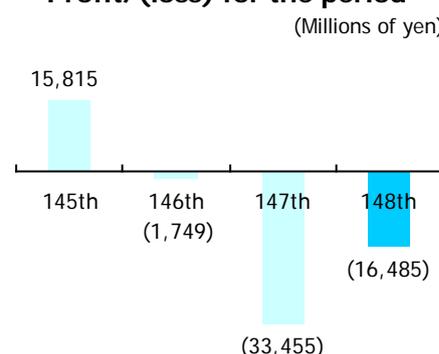
Revenue



Operating profit/(loss)



Profit/(loss) for the period



(6) Overview of Major Subsidiaries

Subsidiary undertakings	Capital stock	% Ownership	Product or activity
Japan			
NSG Building Products Co Limited	JPY million 350	100	Architectural
Thanx Corporation Co Limited	JPY million 300	92.5	Architectural
Nippon Sheet Glass WIN-TEC Co., Ltd.	JPY million 48	99.3 (0.2)	Architectural
Nanox Co Limited	JPY million 490	100	Technical Glass
Europe			
Pilkington United Kingdom Limited	GBP thousand 179,978	100 (100)	Architectural
Pilkington Automotive Limited	EUR thousand 206,595	100 (100)	Automotive
Pilkington Technology Management Limited	GBP thousand 441,320	100 (100)	Architectural and Automotive
NGF Europe Limited	GBP thousand 5,400	100	Technical Glass
Pilkington Deutschland AG	EUR thousand 69,290	96.3 (96.3)	Architectural
Pilkington Automotive Deutschland GmbH	EUR thousand 18,996	100 (100)	Automotive
Pilkington Austria GmbH	EUR thousand 8,721	100 (100)	Architectural
Pilkington Norge AS	NKR thousand 5,095	100 (100)	Architectural
Pilkington Floatglas AB	SKR thousand 222,000	100 (100)	Architectural
Pilkington Automotive Finland OY	EUR thousand 19,414	100 (100)	Automotive
Pilkington International Glass Poland Sp. Z o.o.	Zloty thousand 507	100 (100)	Architectural
Pilkington Automotive Poland Sp. Z o.o.	Zloty thousand 30,511	100 (100)	Automotive
Pilkington Polska Sp. Z o.o.	Zloty thousand 147,340	100 (100)	Architectural
Pilkington Italia SpA	EUR thousand 112,996	100 (100)	Architectural and Automotive
NSG Holding (Europe) Limited	GBP thousand 2,252,631	100	Holding company
NSG UK Enterprises Limited	GBP thousand 1,801,478	100 (100)	Holding company
Pilkington Group Limited	GBP thousand 1,983,926	100 (100)	Holding company

Note:

The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(6) Overview of Major Subsidiaries (continued)

Subsidiary undertakings	Capital stock		% Ownership	Product or activity
North America				
Pilkington North America Inc.	USD thousand	1	100 (100)	Architectural, and Automotive
L-N Safety Glass SA de CV	Mex.Peso thousand	175,155	100 (100)	Automotive
Rest of the world				
Vidrieria Argentina S.A.	Arg.Peso thousand	178,000	51.0 (51.0)	Architectural
Vidrios Lirquén S.A.	Chi.Peso thousand	27,443,983	51.6 (51.6)	Architectural
Pilkington Automotive Argentina S.A.	Arg.Peso thousand	155,015	100 (100)	Automotive
Pilkington Brasil Limitada	Real thousand	86,532	100 (100)	Architectural and Automotive
Guilin Pilkington Safety Glass Co Limited	RMB thousand	100,000	100 (100)	Automotive
Pilkington Solar (Taicang), Limited	RMB thousand	305,151	100 (100)	Architectural
Suzhou NSG Electronics Co Limited	RMB thousand	371,689	100	Technical Glass
NSG Hong Kong Co Limited	HKD thousand	800	100 (100)	Technical Glass
Malaysian Sheet Glass Sdn. Bhd.	MYR thousand	81,151	100	Architectural and Automotive
Vietnam Float Glass Co Limited	VND billion	512	55.0	Architectural
NSG Vietnam Glass Industries Limited	VND billion	1,378	100 (100)	Architectural

Note:

The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(7) Main Offices and Plants of the Group

The Company	Head Office	5-27, Mita 3-Chome, Minato-ku, Tokyo, Japan
	Branch Offices	Minato-ku, Tokyo; Chuo-ku, Osaka-shi; Toyota-shi, Aichi; Minami-ku, Hiroshima-shi
	Plants	Ichihara-shi, Chiba; Sagami-hara-shi, Kanagawa; Yokkaichi-shi, Mie; Tsu-shi, Mie; Tarui-cho, Fuwa-gun, Gifu; Minami-ku, Kyoto-shi; Maizuru-shi, Kyoto
Major Subsidiaries	Japan	NSG Building Products Co Limited (Ichihara-shi, Chiba), Thanx Corporation Co Limited (Edogawa-ku, Tokyo), , Nippon Sheet Glass WIN-TEC Co., Ltd (Chuo-ku, Osaka-shi), Nanox Co Limited (Fukushima-shi, Fukushima)
	Europe	Pilkington United Kingdom Limited (UK) Pilkington Automotive Limited (UK) Pilkington Technology Management Limited (UK) NGF Europe Limited (UK) Pilkington Deutschland AG (Germany) Pilkington Automotive Deutschland GmbH (Germany) Pilkington Austria GmbH (Austria) Pilkington Norge AS (Norway) Pilkington Floatglas AB (Sweden) Pilkington Automotive Finland OY (Finland) Pilkington International Glass Poland Sp. Z o.o. (Poland) Pilkington Automotive Poland Sp. Z o.o. (Poland) Pilkington Polska Sp. Z o.o. (Poland) Pilkington Italia SpA (Italy) NSG Holding (Europe) Limited (UK) NSG UK Enterprises Limited (UK) Pilkington Group Limited (UK)
	North America	Pilkington North America Inc. (USA) L-N Safety Glass SA de CV (Mexico)
	Rest of the World	Vidrieria Argentina S.A. (Argentina) Vidrios Lirquén S.A. (Chili) Pilkington Automotive Argentina S.A. (Argentina) Pilkington Brasil Limitada (Brazil) Guilin Pilkington Safety Glass Co Limited (China) Pilkington Solar (Taicang), Limited (China) Suzhou NSG Electronics Co Limited (China) NSG Hong Kong Co Limited (China) Malaysian Sheet Glass Sdn. Bhd. (Malaysia) Vietnam Float Glass Co Limited (Vietnam) NSG Vietnam Glass Industries Limited (Vietnam)

(8) Permanent Employees

Segments	Number of employees
Architectural Glass	8,779
Automotive	15,066
Technical Glass	1,969
Others	1,265
Total	27,079 (down by 853 year on year)

(9) Main Loan Creditors to the Group

Creditors	Amount (Millions of yen)
Development Bank of Japan	26,086
Sumitomo Mitsui Banking Corporation	6,597
HSBC	6,181
Mizuho Bank, Ltd.	4,000
Shoko Chukin Bank	3,914
Aozora Bank, Ltd.	3,500
Bayerische Landesbank	3,091
Nippon Life Insurance Company	2,600
Sumitomo Life Insurance Company	2,340

Note: In addition to above, NSG Group has syndicated loans of the total amount of ¥ 273,959 million, of which ¥ 102,509 million is underwritten by Sumitomo Mitsui Banking Corporation.

2. Matters Related to the Company's Shares

(1) Authorized number of shares to be issued:

1,775,000,000 shares

(2) Total number of shares issued:

903,550,999 shares

(Shares held as treasury: 758,952 shares)

(3) Number of shareholders:

69,786

(4) Top 10 shareholders

Shareholders	Number of Shares (Thousand)	Percentage of Shares
Japan Trustee Services Bank, Ltd. (Trust Account)	38,667	4.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,777	3.74
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	26,357	2.92
CBNY DFA Intl Small Cap Value Portfolio	16,592	1.84
CMBL S.A. Re Mutual Funds	14,392	1.59
BNY For GCM Re GASBU	14,298	1.58
Chase Manhattan Bank GTS Clients Account Escrow	12,449	1.38
Mellon Bank, N.A. As Agent For Its Client Mellon Omnibus US Pension	11,817	1.31
Japan Trustee Services Bank, Ltd. (Trust Account No.6)	10,529	1.17
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	10,527	1.17

Note:

Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares.

3. Policy on return of our profits to shareholders

The Group's dividend policy is to secure dividend payments based on sustainable business results. As a consequence of the current market conditions faced by the Group and the loss recorded for the year, the directors do not recommend a dividend for this financial year. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

4. Matters Related to the Company's Stock Acquisition Rights, etc

(1) Stock acquisition rights (stock options) owned by Directors as of the end of fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
The Company's Directors (Excluding External Directors)	Stock acquisition rights (No. 1)	Free	¥ 418 per share	From 1 July 2006 to 28 June, 2014	16	16,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights (No. 2)	Free	¥ 466 per share	From 1 July 2007 to 28 June 2015	17	17,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights (No. 3)	Free	¥ 578 per share	From 1 July 2008 to 28 June 2016	11	11,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2007 (Stock-compensation type)	¥ 666.31 per share	¥ 1 per share	From 29 Sep. 2007 to 28 Sep. 2037	9	9,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2008 (Stock-compensation type)	¥ 497.51 per share	¥ 1 per share	From 28 Sep 2008 to 27 Sep 2038	35	35,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2009 (Stock-compensation type)	¥ 255.12 per share	¥ 1 per share	From 1 Oct 2009 to 30 Sep 2039	69	69,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2010 (Stock-compensation type)	¥ 139.42 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	59	59,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Oct. 2011 (Stock-compensation type)	¥ 126.28 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	80	80,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2012 (Stock-compensation type)	¥ 21.43 per share	¥ 1 per share	From 29 Sep 2012 to 28 Sep 2042	290	290,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Oct. 2013 (Stock-compensation type)	¥ 88.28 per share	¥ 1 per share	From 16 Oct 2013 to 15 Oct 2043	399	399,000 Common shares (1,000 Common shares per right)	2
Total	—	—	—	—	985	985,000 Common shares	2

(2) Stock acquisition rights (stock options) issued to Corporate Officers during the fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
Corporate Officers	Stock acquisition rights issued in Oct. 2013 (Stock-compensation type)	¥ 88.28 per share	¥ 1 per share	From 16 Oct 2013 to 15 Oct 2043	1,043	1,043,000 Common shares (1,000 Common shares per right)	13

5. Matters Related to Directors and Executive Officers of the Company

(1) Name etc. of Directors and Executive Officers

A) Directors

Name	Non-executive position		Material concurrent office
Seichi Asaka	Director, Chairman of the Board	A member of Nomination Committee, Audit Committee and Compensation Committee	—
George Olcott	Director	Chairman of Nomination Committee, and a member of Audit Committee and Compensation Committee	➤ Director, NKSJ Holdings, Inc.
Sumitaka Fujita	Director	Chairman of Audit Committee, and a member of Nomination Committee and Compensation Committee	➤ Director, The Furukawa Electronic, Co., Ltd. ➤ Director, Olympus Corporation
Hiroshi Komiya	Director	Chairman of Compensation Committee, and a member of Nomination Committee and Audit Committee	—
Keiji Yoshikawa	Director	A member of Nomination Committee and Compensation Committee	—
Clemens Miller	Director	—	—
Mark Lyons	Director	—	—
Kenichi Morooka	Director	A member of Nomination Committee and Compensation Committee	—

Notes:

- Messrs. Seichi Asaka, George Olcott, Sumitaka Fujita, and Hiroshi Komiya are External Directors as stipulated in Article 2 Clause 15 of the Companies Act and notified to Tokyo Stock Exchange (TSE) as Independent Directors. In addition to such criteria set by TSE, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four External Directors also meet. For the details of such criteria, please see pages 17 and 18.
- A member of Audit Committee, Mr. Sumitaka Fujita has specialized knowledge particularly on finance and accounting to a respectable degree with his career of Chief Financial Officer at ITOCHU Corporation for seven years.

B) Executive Officers

Name	Executive position		Material concurrent office
Keiji Yoshikawa	Representative Executive Officer	President and CEO	—
Clemens Miller	Representative Executive Officer	Executive Vice President and COO	—
Mark Lyons	Representative Executive Officer	Executive Vice President and CFO	—
Kenichi Morooka	Executive Officer	Executive Vice President	—

(2) Compensation for Directors and Executive Officers

A) Principles of Compensation for Directors, and Executive Officers

(i) Organization & Responsibilities

The Compensation Committee was established following the 142nd Ordinary General Meeting of Shareholders in June 2008. Its membership consists of the four External Directors of NSG Group, a Director who concurrently serves as Representative Executive Officer and a Director who concurrently serves as Executive Officer. The current chairman is Mr. Hiroshi Komiya, an External Director. No member of the Committee is allowed to be present when matters relating to his specific compensation are being discussed. The Committee is supported by a secretariat from the Human Resources function and may use information from specialist external advisers when necessary. During the year 2013/14, the Committee met on six occasions.

The Committee is responsible for:

- Determining the policy on individual compensation and other perquisites payable to the Directors and Executive Officers of the Company
- Determining individual compensation and other perquisites payable to the Directors and Executive Officers of the Company

The Committee also notes decisions made on the compensation of Corporate Officers and Senior Managers in the Group.

(ii) Compensation Policy for Executive Officers

NSG Group is a global business, operating in 30 countries worldwide. The objectives of the compensation policy are to ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest caliber on a worldwide basis in an international business.

The policy aims to ensure that each individual's basic salary and incentives are aligned with the performance of the Group and the interests of shareholders as well as reflecting the commitment and achievements of the individuals concerned. While some of the elements of the packages of the Executive Officers will vary depending on the market conditions in the countries in which they are directly employed, annual bonus and long-term incentive plans follow a global policy and are structured, designed and co-ordinated at Group level.

Salary and benefit packages are set at market competitive levels and annual performance-related payments are assessed against the achievement of key targets which are mainly financial.

The salaries of Executive Officers are reviewed annually. The policy is to broadly align salaries with market medians for a global business. In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization. In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.

Each Executive Officer participates in an annual performance-related incentive scheme. The Committee establishes the performance criteria and sets the appropriate bonus parameters. The incentive plans are based mainly on challenging financial performance targets relating to the annual budget which is approved by the Board. No bonus is paid to the Executive Officers if a minimum entry level of performance is not achieved.

Each Executive Officer may be invited to participate in a Long Term Incentive Plan (LTIP). These plans are designed to reward the achievement of the Group's longer term objectives over a three year period. An LTIP may be issued annually. Therefore at any point in time there may be up to three overlapping plans in operation. The performance criteria for these plans are in the main financial measures. No payment is made if the entry point is not met. Payments from these plans are in cash. In order to align Executive Officers with shareholders, cash payments earned from these plans are factored up or down according to the share price movement during each three year plan period.

(iii) Compensation Policy for External and non-executive Directors

The role of non-executive Directors is to supervise all Group business as members of the Board of Directors. In order for them to fulfill this role adequately and effectively, and for the Group to retain individuals with the capability and experience required, the appropriate compensation level of non-executive Directors is set based on comparisons with other companies using benchmark data provided by specialist external advisers.

Internal non-executive Directors receive a salary and are eligible for Stock Compensation-type Stock Options. They are not eligible for performance-related bonuses or awards under long-term incentive plans.

External Directors receive fees for the performance of their duties. They are not eligible for performance-related bonuses or awards under long-term incentive plans.

B) Amount of Compensation for Directors and Executive Officers

(i) Amount of Compensation for Directors and Executive Officers Paid by the Company

Category	Headcount	Compensation (Million Yen)		
		Basic Salary	Bonus	Other Benefits
Directors who do not concurrently serve as Executive Officers (referred to just as "Director(s)")	6	89	-	228
of which External Directors	4	63	-	-
Executive Officers	3	94	22	49

Notes:

1. In addition to the amounts shown in this table which are amounts either paid by NSG, additional amounts were paid to certain Executive Officers by subsidiaries of the Company, and these are shown in a separate table (ii) below. Payments to Executive Officers, as shown in this table, consist of; Basic Salary for two Executive Officers; Bonus for one Executive Officer; and Other benefits for three Executive Officers.
2. Amounts shown relate to the periods for which the office of Director and Executive Officer was held.
3. The data for Directors includes those who retired as of the end of 147th AGM. The amount shown under Other Benefits for the Directors includes an amount of 224 Million Yen for retirement allowances to two Directors (internal Directors) .
4. The amount shown as Bonus payment in the table is the one earned by one eligible Executive Officer for the year from April 2013 to March 2014 (which will be paid in the year from April 2014). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2011 to March 2014.
5. Other Benefits for Executive Officers include an amount of 35 Million Yen for Stock Options awarded to two Executive Officers, which are the Stock Compensation-type Stock Options introduced as a retirement saving plan in accordance with the abolishment of director's retirement allowance scheme in 2007 under Japanese employment terms.
6. Other Benefits include pension fund contributions, healthcare provision, and accommodation costs and so forth.

(ii) Amount of Compensation for Executive Officers Paid by Subsidiaries

Category	Headcount	Compensation (Million Yen)		
		Basic salary	Bonus	Other Benefits
Executive Officers	2	131	106	27

Notes:

1. The amounts shown relate to all compensation paid to Clemens Miller and Mark Lyons as Executive Officers.
2. Amounts shown relate to the periods for which the office of Executive Officer was held.
3. The amount shown as Bonus payments in the table are those earned by two eligible Executive Officers for the year from April 2013 to March 2014 (which will be paid in the year from April 2014). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2011 to March 2014.
4. Other Benefits include pension fund contributions, healthcare provision, transport costs.
5. Where amounts in UK sterling and EURO have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1: 159 JPY and EUR1: 133.6 JPY respectively.

(3) Matters related to External Directors

A) Material concurrent office of External Directors (in case that the External director has also executive positions such as an Executive Director and Executive Officer or is an External Director or Auditor of other organizations)

Name	Concurrent Position
George Olcott	➤ External Director, NKSJ Holdings, Inc.
Sumitaka Fujita	➤ External Director, The Furukawa Electronic, Co., Ltd. ➤ External Director, Olympus Corporation

Note:

NSG does not have any special relationship in business with NKSJ Holdings, Inc., The Furukawa Electronic, Co., Ltd., , and Olympus Corporation.

B) Major activities of External Directors during fiscal year

Name	Major Activities
Seiichi Asaka	Attended all 10 Board of Directors meetings, all seven Nomination Committee meetings, all 11 Audit Committee meetings and all six Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
George Olcott	Attended all 10 Board of Directors meetings, all seven Nomination Committee meetings, nine of the 11 Audit Committee meetings, and all six Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an academic expert and an experienced business manager.

Sumitaka Fujita	Attended all 10 Board of Directors meetings, all seven Nomination Committee meetings, all 11 Audit Committee meetings, and all six Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Hiroshi Komiya	Attended all 10 Board of Directors meetings, all seven Nomination Committee meeting, all 11 Audit Committee meetings, and all six Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.

C) Outline of an agreement on liability limitation

An agreement is concluded between the Company and each of the External Directors, to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount as stipulated by law.

6. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Fees, etc, to Independent Auditor with respect to fiscal year

Fees, etc., to Independent Auditor for Fiscal Year under Review	¥ 145 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Independent Auditor	¥ 164 million

Notes:

1. The audit contract between the Company and the Independent Auditor does not differentiate fees related to auditing as Independent Auditor pursuant to the Companies Act and fees related to auditing pursuant to the Financial Instruments and Exchange Act. It is not practically possible to differentiate them, either. As such, the Fees, etc., to Independent Auditor for Fiscal Year in the above table are the combined sum for these services.
2. Ernst & Young are the Group companies' principal auditors.
3. The Company paid the fees for the Independent Auditor in consideration for its rendering of consultation or other services on internal control matters in addition to those for such services performed by it as prescribed in Article 2.1 of the Certified Public Accountants Act.

(3) Policies on dismissal or non-reappointment of independent auditor

In addition to the dismissal of the independent auditor by the Audit Committee pursuant to stipulations in Article 340.1 of the Companies Act, the Audit Committee shall, in principle, propose an agenda for dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders when the Audit Committee judges that the independent auditor is unable to perform its duties properly, due to violation of law by the independent auditor or other matters impairing eligibility or independence as the auditor.

- E) Management Committee** guides management operations of the Group and monitor implementation of development of such management operations.
- F) Sustainability Committee** reviews strategy and coordinates all sustainability activities in the NSG Group and ensures effective communication of these matters with our stakeholders.
- G) Risk Management Committee** defines the framework for the overall risk management of the Group and monitors the implementation thereof.

(3) Systems to Ensure Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Operations, etc.

A) Matters regarding Directors and/or Employees who support the execution of duties by the Audit Committee

The Company has established an Audit Committee Office to assist the Audit Committee and a requisite number of staff is assigned to it.

B) Matters pertaining to the independence of the above Directors and/or Employees

Matters pertaining to the staff of the Audit Committee Office are required to be notified to and agreed by the Audit Committee in advance.

C) System for reporting by Executive Officers and employees to the Audit Committee and other systems concerning reporting to the Audit Committee

Executive Officers and other employees are required to report the following to the Audit Committee.

- (i) When an individual discovers any fact that has the potential to cause substantial damage to the NSG Group.
- (ii) When any director, officer or employee performs any act in violation of any law, ordinance or the Articles of Incorporation, or is considered to have possibly performed those acts.
- (iii) Matters requested to be reported by the Audit Committee and other matters considered helpful for audit.

D) Other system to ensure effective audit by the Audit Committee

- (i) Members appointed by Audit Committee have the right to attend important meetings.
- (ii) The Audit Committee interviews, as required, the directors, officers and employees to obtain information required for audits and receives periodic reports regarding the risk status of the Group from the relevant functions responsible for management of their respective risks.
- (iii) The Audit Committee may inspect material internal documents such as information materials for important meetings and requisition proposals.
- (iv) The Audit Committee receives explanations from the Executive Officer in charge concerning the settlement of accounts at the end of fiscal year as well as quarterly settlement of accounts prior to approval by the Board of Directors.
- (v) The Audit Committee meets regularly with the Internal Audit Function and Independent Auditor to gather information as required.

E) System for ensuring that the performance of duties by Executive Officers and employees complies with laws and regulations, and the Articles of Incorporation

The Group ensures strict compliance with laws and regulations, and the Articles of Incorporation and upholds corporate ethics in accordance with the "Values and Principles" and actively fulfills corporate social responsibilities.

The Group communicates and promotes the "NSG Group Code of Conduct" (regarding business ethics and compliance with laws/ regulations/ internal rules) established under the "Values and Principles" and internal rules (the Group's policies, procedures and guidelines) to the directors, officers and employees of the Group through its

internal communication network and implements education and training programs.

Functions responsible for laws, regulations and internal rules are required to monitor the status of compliance in coordination with the Internal Audit Function and report it to the Audit Committee.

A Reporting of Concerns Procedure has been established to provide a framework through which the directors, officers and employees of the Group may report or seek counsel on matters related to compliance.

F) System for retaining and managing information pertaining to Executive Officers' performance of duties

Executive Officers retain and/or manage documents and any other information regarding their duties, pursuant to the applicable laws and internal rules.

G) Rules and system pertaining to Risk Management

Accurate financial reporting as well as proper and prompt information disclosure is ensured.

To cope with the risks that accompany corporate activities, the risks faced by the Group are comprehensively identified and managed. Further, the responsible functions have established appropriate internal regulations to manage the respective risks in such areas as compliance, environment, safety, disaster management, product quality, information security, fund management, materials procurement, research and development and credit control. The Group arranges risk diversification and insurance as needed.

To manage major incidents, the Group prepares rules and takes actions accordingly.

H) System for ensuring the efficient performance of Executive Officers' duties

The Group manages consistent policies by specifying the Executive Officers annual objectives based on the long-term plan.

The duties and authority of Executive Officers and other employees, through resolutions by the Board of Directors, are clearly established and operated in accordance with internal rules on the division of duties and delegation of authority. Management decisions are made in accordance with the Terms of Reference and other rules on internal meetings, as well as the applicable criteria for submitting proposals for deliberation. Furthermore, utilizing information technology, the Company is developing systems to enhance further the efficiency of operations.

I) System for ensuring proper operation of corporate activities by the Group comprising the Company and its subsidiaries

The "NSG Group Values and Principles," "NSG Group Code of Conduct" and internal rules are communicated throughout the Group. Each Business Line and Group Function has defined rules and authority within its responsible area and provides guidance to ensure that internal control systems are properly implemented.

Transactions among the Group Companies must be conducted properly, in compliance with all applicable laws and regulations, accounting principles, and other social norms.

The Internal Audit Function evaluates and examines the effectiveness of the Group's internal controls, and makes proposals for improvement and efficiency of the Group's business operation.

The above reports are prepared by:

1. Rounding off any fraction of one million yen to the nearest one million yen. ; and
2. Rounding down any fraction of 1,000 shares to the nearest 1,000 shares.

End

Consolidated Balance Sheet (as of 31 March 2014)

(In JPY millions)

ASSETS		LIABILITIES	
Non-current assets	643,369	Current liabilities	274,374
Goodwill	135,826	Borrowings	119,954
Intangible assets	86,999	Derivative financial instruments	1,514
Property, plant and equipment	289,389	Trade and other payables	127,858
Investment property	644	Taxation liabilities	2,510
Investments accounted for using the equity method equity	50,070	Provisions	19,179
Trade and other receivables	15,615	Deferred income	3,027
Available-for-sale investments	6,743	Liabilities related to assets held for sale	332
Derivative financial instruments	893	Non-current liabilities	476,303
Deferred tax assets	55,571	Borrowings	331,839
Tax receivables	1,619	Derivative financial instruments	1,996
Current assets	281,806	Trade and other payables	573
Inventories	109,167	Deferred tax liabilities	23,190
Construction work-in-progress	982	Taxation liabilities	1,837
Trade and other receivables	92,523	Retirement benefit obligations	90,591
Available-for-sale investments	94	Provisions	16,477
Derivative financial instruments	1,434	Deferred income	9,800
Cash and cash equivalents	73,864		
Tax receivables	1,943		
Assets held for sale	1,799	Total: Liabilities	750,677
		EQUITY	
		Capital and reserves attributable to the Company's equity shareholders	164,986
		Called up share capital	116,449
		Capital surplus	127,511
		Treasury stock	(285)
		Stock subscription rights	632
		Retained earnings	(27,717)
		Retained earnings (Translation adjustment at the IFRS translation date)	(68,048)
		Accumulated other comprehensive income	16,444
		Non-controlling interests	9,512
		Total: Equity	174,498
Total: Assets	925,175	Total: Liabilities and equity	925,175

Consolidated Income Statement (for the period of 1 April 2013 to 31 March 2014)

(In JPY millions)

Net Sales		606,095
Cost of Sales		(459,821)
Gross profit		146,274
Other income	7,205	
Distribution costs	(57,677)	
Administrative expenses	(66,619)	
Other expenses	(14,616)	(131,707)
Operating profit before exceptional items		14,567
Exceptional items		(13,833)
Operating profit		734
Finance income	3,338	
Finance expenses	(21,475)	
Share of post-tax profit of joint ventures and associates	1,002	(17,135)
Loss before taxation		(16,401)
Taxation		(84)
Loss for the period		(16,485)
Profit attributable to non-controlling interests		1,145
Loss attributable to owners of the parent		(17,630)

Consolidated Statement of Comprehensive Income (Reference only)

(for the period of 1 April 2013 to 31 March 2014)

(In JPY millions)	
Loss for the period	(16,485)
Other comprehensive income:	
Items that will not be reclassified to profit or loss:	
Re-measurement of retirement benefit obligations (net of taxation)	445
Share of other comprehensive income of affiliates	602
Sub total	1,047
Items that may be reclassified to profit or loss:	
Foreign currency translation adjustments	35,525
Revaluation of available-for-sale investments, net of taxation	(571)
Cash flow hedges – fair value gains, net of taxation	59
Sub total	35,013
Total: Other comprehensive income for the period, net of taxation	36,060
Total comprehensive income for the period	19,575
Attributable to non-controlling interests	(110)
Attributable to owners of the parent	19,685

Consolidated statement of changes in equity (for the period of 1 April 2013 to 31 March 2014)

(in JPY millions)

	Equity attributable to the company's shareholders					
	Called up share capital	Capital surplus	Treasury stock	Stock subscription rights	Retained earnings	Retained earnings (Transition adjustment at the IFRS transition date)
Balance: as of 1 April 2013	116,449	127,511	(374)	592	(11,275)	(68,048)
Comprehensive income for the year:						
Profit / (loss) for the year					(17,630)	
Other comprehensive income					1,047	
Total comprehensive income for the year					(16,583)	-
Transactions with owners:						
Purchase of treasury stock			(6)			
Disposal of treasury stock		(7)				
Dividends paid						
Share based payments			95	40		
Transfer of retained earnings to capital surplus		7			(7)	
Other					148	
Total transactions with owners	-	-	89	40	141	-
Balance: as of 31 March 2014	116,449	127,511	(285)	632	(27,717)	(68,048)

	Equity attributable to the company's shareholders					Non controlling interests	Total equity
	Exchange translation reserve	Fair value reserve	Hedging reserve	Total other comprehensive income	Total equity attributable to the company's shareholders		
Balance: as of 1 April 2013	(18,278)	1,016	(2,562)	(19,824)	145,031	10,422	155,453
Comprehensive income for the year:							
Profit / (loss) for the year					(17,630)	1,145	(16,485)
Other comprehensive income	36,845	(571)	(6)	36,268	37,315	(1,255)	36,060
Total comprehensive income for the year	36,845	(571)	(6)	36,268	19,685	(110)	19,575
Transactions with owners:							
Purchase of treasury stock				-	(6)		(6)
Disposal of treasury stock				-	(7)		(7)
Dividends paid				-	-	(646)	(646)
Share based payments				-	135		135
Transfer of retained earnings to capital surplus				-	-		-
Other				-	148	(154)	(6)
Total transactions with owners				-	270	(800)	(530)
Balance: as of 31 March 2014	18,567	445	(2,568)	16,444	164,986	9,512	174,498

Balance Sheet (as of 31 March 2014)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	117,796	Current liabilities	118,795
Cash and cash deposits	8,819	Accounts payable - trade	16,478
Notes receivable	1,748	Short-term bank borrowings	38,100
Accounts receivable-trade	17,853	Current portion of Bonds	2,500
Products and goods	12,420	Current portion of Long-term borrowings	34,765
Work in process	2,081	Lease obligations	701
Raw materials and consumables	6,390	Accounts payable - non-trade	8,243
Short-term loan receivable	59,572	Accrued income tax	130
Other current assets	9,972	Accrued expenses	1,501
Allowance for doubtful accounts	(1,059)	Customers' deposits	14,091
Fixed assets	540,128	Provision for employees' bonuses	1,788
Tangible assets	42,769	Provision for directors' bonuses	77
Buildings	13,113	Provision for warranties	62
Structures	1,279	Other current liabilities	359
Machinery & Equipment	15,092	Fixed liabilities	247,826
Vehicles	7	Bonds	60,250
Tools & Fixtures	2,898	Long-term bank borrowings	179,985
Land	9,052	Lease obligations	735
Leased assets	39	Provision for retirement benefits	1,026
Construction in progress	1,289	Provision for rebuilding furnaces	4,094
Intangible assets	2,070	Environmental provision	224
Computer software	102	Asset retirement obligations	672
Leased assets	1,592	Deferred tax liabilities	779
Other intangible assets	376	Other fixed liabilities	61
Investments and other assets	495,289	Total: Liabilities	366,621
Investments in securities	1,038	NET ASSETS	
Investments in subs. & affiliates	487,228	Shareholders' equity	289,593
Long-term loan receivable	2,894	Common stock	116,449
Long-term prepaid expenses	2,699	Capital surplus	124,772
Other assets	1,451	Capital surplus	124,772
Allowance for doubtful accounts	(21)	Retained earnings	48,657
		Earned surplus	6,377
		Other retained earnings	42,280
		Reserve for adv'ed depreciation	2,149
		General reserve	34,977
		Retained earnings carried forward	5,154
		Treasury stock	(285)
		Valuation and translation adjustments	1,078
		Deferred gains or losses on hedges	1,078
		Stock subscription rights	632
		Net Assets	291,303
Total: Assets	657,924	Total: Liabilities and net assets	657,924

Income Statement (for the period of 1 April 2013 to 31 March 2014)

(in JPY millions)

Net sales		105,682
Cost of sales		(82,913)
Gross profit		22,769
Selling, general and administrative expenses		(22,931)
Operating loss		(162)
Non-operating income		
Interest and dividend income	8,023	
Other income	1,458	9,481
Non-operating expense		
Interest expense	(6,288)	
Other expense	(1,362)	(7,650)
Ordinary profit		1,669
Extraordinary income		
Gain from sale of fixed assets	432	
Gain from sale of securities	305	
Other	145	882
Extraordinary loss		
Loss on sale of fixed assets	(236)	
Loss on scrapping of fixed assets	(216)	
Loss on impairment	(221)	
Loss on sale of investments in subsidiaries & affiliates	(24)	
Loss on valuation of investments in subsidiaries & affiliates	(4)	
Loss on support to subsidiaries & affiliates	(3,352)	
Other	(95)	(4,148)
Net loss before tax		(1,597)
Income tax: Current	733	
Income tax: Deferred	69	802
Net loss		(795)

Statement of changes in net assets (for the period of 1 April 2013 to 31 March 2014)

(in JPY millions)

	Shareholders' equity										
	Common stock	Capital surplus			Earned surplus	Retained earnings			Sub-total	Treasury shares	Sub-Total
		Capital surplus	Other capital surplus	Sub-total		Other retained earnings					
						Reserve for advanced depreciation	General reserve	Retained earnings carried forward			
Balance: as of 1 April 2013	116,449	124,772	—	124,772	6,377	2,370	34,977	4,081	47,805	(374)	288,652
Cumulative effects of changes in accounting policies								1,654	1,654		1,654
Balance: as of 1 April 2013, reflecting cumulative effects of changes in accounting policies	116,449	124,772	—	124,772	6,377	2,370	34,977	5,735	49,459	(374)	290,306
Changes during the period:											
Reversal of reserve for advanced depreciation						(221)		221	—		—
Net loss								(795)	(795)		(795)
Exercise of stock subscription rights										95	95
Acquisition of treasury stock										(6)	(6)
Disposal of treasury stock			(7)	(7)						—	(7)
Transfer of retained earnings to capital surplus			7	7				(7)	(7)		—
Net changes of items other than shareholders' equity											
Total changes during the period	—	—	—	—	—	(221)	—	(581)	(802)	89	(713)
Balance: as of 31 March 2014	116,449	124,772	—	124,772	6,377	2,149	34,977	5,154	48,657	(285)	289,593

	Valuation and translation adjustments		Stock subscription rights	Total net assets
	Deferred gains or losses on hedges	Sub-total		
Balance: as of 1 April 2013	1,045	1,045	592	290,289
Cumulative effects of changes in accounting policies				1,654
Balance: as of 1 April 2013, reflecting cumulative effects of changes in accounting policies	1,045	1,045	592	291,943
Changes during the period:				
Reversal of reserve for advanced depreciation				—
Net loss				(795)
Exercise of stock subscription rights				95
Acquisition of treasury stock				(6)
Disposal of treasury stock				(7)
Transfer of retained earnings to capital surplus				—
Net changes of items other than shareholders' equity	33	33	40	73
Total changes during the period	33	33	40	(640)
Balance: as of 31 March 2014	1,078	1,078	632	291,303

